



STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES

MEMORANDUM OF AUCTION OF REAL ESTATE

THIS AGREEMENT is made as of the date set forth in the Report of Auction by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources ("State") and the successful bidder ("Purchaser"). The term Purchaser is used for convenience throughout this Agreement to refer to the successful bidder. Use of the term Purchaser in the context of the option part of this Agreement shall not change the legal effect of this Agreement as an option. Purchaser shall not be bound to purchase the Property until, if ever, Purchaser exercises the option right.

WHEREAS, State is the owner of certain real property known as "Lacey Compound" located in Thurston County, Washington; and

WHEREAS, Purchaser was the successful bidder at the auction;

NOW, THEREFORE, in exchange for the mutual promises and covenants herein contained, and other good and valuable consideration, the mutual receipt and sufficiency of which is hereby acknowledged by Purchaser and State, it is agreed as follows:

1 OPTION OF PROPERTY

- 1.1 Option.** Purchaser has an option to buy the property described in section 1.2 for a period of ninety (90) days from the date of this Agreement (Option Period). The option price is \$50,000 (Option Price), which has been paid on the date of the auction, will be deemed earned by State as of the date of this Agreement and is not refundable. If Purchaser exercises the right to buy the property, Purchaser shall receive a credit toward the Purchase Price in the full amount of the Option Price. In order to exercise this option right, Purchaser must (1) notify State in writing at the address identified in section 11 within the Option Period of Purchaser's intent to buy the property and (2) tender the Deposit described in section 2.1 into escrow. The notice of intent to buy shall be attached to this Report of Auction and incorporated herein. Failure to exercise the option in the manner set forth above or make the required deposit shall terminate Purchaser's right to buy the property automatically.
- 1.2 Property.** If the option is exercised, State shall sell and convey to Purchaser, and Purchaser shall purchase and accept from State, subject to the terms of this Agreement, that certain real property located in Thurston County, Washington, the legal description of which is set forth on EXHIBIT A, together with all improvements (structures only) and easements, rights of way and other rights appurtenant to said real property. The foregoing property and rights and interests described above are collectively referred to herein as "the Property." The Property excludes all personal property, equipment and fixtures, which State shall remove upon expiration of the reserved lease.

1.3 **Mineral Reservation.** This sale is subject to the reservation of oils, gases, and minerals as required in RCW 79.11.210.

1.4 **Lease Reservation.** This sale is subject to a lease reservation in favor of State for the portion of the Property legally described in Exhibit C (Lease Area) until December 31, 2004, unless otherwise agreed by the parties. State shall retain full possessory rights to the Lease Area until the expiration of the lease, subject to the right of Purchaser and its agents or employees to visit the Lease Area at reasonable times with advance notice to State as Purchaser pursues its development plans. The lease shall not require payment of rent. Any imputed rent is factored into the Purchase Price. State shall assume any utility or service charges arising out of the State's use of the Lease Area during the lease period. State shall self-insure its general liability.

2. **PAYMENT.**

2.1 **Purchase Price.** The purchase price ("Purchase Price") is the successful bid amount set forth in the Report of Auction.

(a) **Earnest Deposit.** Upon exercise of the option, Purchaser shall deposit the amount of \$250,000 into escrow (hereafter Deposit).

(b) **Balance.** The balance of the Purchase Price (minus the credit for the Option Price) and all costs, assessments, prorations (to the extent such prorations are not the responsibility of the State under the reserved lease by State), charges or fees due under this Agreement shall be paid in cash no later than one hundred twenty (120) days after the date of this Agreement, unless otherwise agreed in writing. Upon tender of the balance of the Purchase Price, the escrow shall wire the entire Purchase Price to the State Treasurer, as directed by State, to effect issuance of the deed.

2.2 **Interest.** The Deposit shall be held in escrow in an interest bearing account on behalf of Purchaser until all contingencies have been met or waived at which time the deposit and interest thereon shall be applied to the Purchase Price, subject to forfeiture as provided hereafter.

2.3 **Forfeiture.** In the event the Purchaser fails, without legal excuse, to complete the purchase of the Property after exercise of the option, Purchaser shall forfeit to the State the Deposit as the sole and exclusive remedy available to State for such failure. This limitation of damages clause applies only to a default relating to non-payment of the Purchase Price. Forfeiture of the deposit shall not relieve Purchaser from its indemnity obligations under section 6.3 or damages arising out of such inspection.

3. **CLOSING.**

3.1 **Date.** The "Closing" shall mean the date upon which all monies are paid and documents are recorded to complete the sale. Closing shall be as soon as practical for the State to issue a quitclaim deed from the Governor's Office upon confirmation of the sale and confirmation that the Purchase Price has been paid to the State Treasury. The full Purchase Price must be paid into the State Treasury as a condition precedent to State issuing the Deed. In any event, Closing

shall be no later than September 30, 2004, unless otherwise agreed in writing.

- 3.2 **Escrow.** This transaction shall be closed in escrow at Stewart Title and Escrow, ("Escrow Company") which shall be arranged by State within 10 days of date of this Agreement. The parties shall deposit the necessary documents and funds in escrow sufficiently in advance of the Closing Date to facilitate an orderly closing. State and Purchaser shall each pay one-half of the escrow fees.

4. **CONVEYANCE, TITLE INSURANCE AND POSSESSION.**

- 4.1 **Possession.** The Purchaser shall be entitled to possession of the Property upon expiration of the lease that is reserved herein, subject to the limited rights of entry and inspection as set forth in section 1.4 and section 6.3 and the DOT lease more particularly described in section 4.3.

- 4.2 **Form of Deed.** State shall convey title to the Property to Purchaser by quitclaim deed executed by the Governor of the State of Washington, substantially in form set forth in EXHIBIT B.

4.3 **Title Insurance.**

- (a) State has obtained a preliminary commitment for an ALTA Owner's Standard Coverage Policy of title insurance (hereafter "Preliminary Commitment") from Stewart Title and Escrow Company. The Preliminary Commitment shall be provided to Purchaser within ten days of the date of this agreement.
- (b) Within thirty (30) days of the date of this Agreement, the Purchaser shall notify the State in writing of any exceptions thereto which are wholly or conditionally acceptable to the Purchaser (hereafter "Title Notice"). Following giving of Title Notice, if additional encumbrances affecting the Property arise, Purchaser shall have twenty (20) days from receipt thereof to review and accept or reject these additional items. Failure of the Purchaser to reject in writing any exception to State's title shown in the Preliminary Commitment or arising thereafter shall be deemed acceptance of the exception. The lease reservation identified in section 1.4 and a lease between the State and the Department of Transportation (DOT Lease) for a park and ride dated March 3, 2000 and amended on _____ are hereby accepted by Purchaser. The DOT Lease will be assigned to Purchaser at closing on the form substantially set forth in Exhibit D.

- 4.4 **Policy Condition of Closing.** State shall have the right but not the obligation, at its sole cost and expense, to remove, eliminate or modify any exceptions not acceptable to Purchaser. Closing shall be conditioned upon Title Company issuing its ALTA Owner's Coverage Policy insuring fee title to the Property in the name of Purchaser in the amount of the Purchase Price, subject only to (i) the printed form exceptions contained in the ALTA Owner's Policy and (ii) such exceptions accepted by Purchaser. If the Title Company is not able to issue a title policy as provided above, Purchaser shall have a right to terminate this Agreement without further obligation of either party. The right of termination shall be Purchaser's exclusive remedy for title encumbrances. Upon election to terminate, Purchaser shall be entitled to a refund of the Deposit.

- 4.5 **Use of Purchase Price.** The Purchase Price to be paid by Purchaser to State at Closing may be used in whole or in part by State by and through the Escrow Company at Closing to remove any liens, liabilities, or encumbrances which State elects to remove.
- 4.6 **Cost of Policy.** State shall be responsible for the cost of the Owner's Standard Title Insurance Policy. Purchaser shall be responsible for requesting and for paying the cost of any extended coverage and additional endorsements, co-insurance policies and reinsurance certificates issued by Title Company at Purchaser's request. Purchaser shall be solely responsible for the cost of any survey required by the Title Company to issue extended coverage. If Purchaser elects to obtain extended coverage, the survey, if required, must be started within thirty (30) days of the date of this Agreement or the Purchaser shall be deemed to have elected to waive extended coverage.
5. **DESTRUCTION OR CONDEMNATION.** State shall bear the risk of loss until Closing. If on or before the Closing Date either the Property is materially damaged, or condemnation proceedings are commenced with respect to the Property, the Purchaser shall elect either to terminate this Agreement or to purchase the Property. Purchaser must give written notice of such election to the State within fifteen (15) days of Purchaser's knowledge of such damage or condemnation. Failure to give State notice of Purchaser's election to terminate shall be deemed an election to purchase. If the Purchaser elects to terminate this Agreement, the Deposit and interest thereon shall be returned to the Purchaser, and all rights and obligations of the Purchaser and the State shall terminate. If the Purchaser elects to purchase the Property, Purchaser shall be entitled to the insurance proceeds, if any, or to the condemnation award either of which shall be without adjustment to the Purchase Price. Damage shall be deemed "material" if it cannot be repaired or replaced within ninety (90) days or it represents more than ten percent (10%) of the Purchase Price.
6. **CONDITION OF THE PROPERTY.**
- 6.1 **As Is.** The Property is sold "AS IS, WHERE IS" with any and all faults. The State does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose about the Property, including but not limited to any improvements located thereon. Any representation or warranty to the contrary by any employee or agent of the State is invalid. The foregoing specifically disclaims warranties with respect to the existence or nonexistence of any pollutants, contaminants, or hazardous waste or claims based thereon arising out of the actual or threatened discharge, disposal, seepage, migration, or escape of such substances at, from, or into the Property.
- 6.2 **Release/Indemnity.** Purchaser hereby fully releases the State from any and all liability to Purchaser arising out of or related to the condition of the Property prior to, at, or after Closing, including but not limited to the deposit or release of hazardous or toxic wastes or material, and pollutants. It is the intent of the parties that this release constitutes a full and final release of any and all claims relating to the condition of the Property and includes any action for contribution for any environmental remedial action. Purchaser agrees to indemnify, defend with counsel acceptable to State, and release the State with respect to, but not limited to any claims, damages, liabilities, penalties (civil or criminal), and any other costs, including attorneys' fees and costs

imposed or related to any hazardous, toxic, dangerous, or harmful substances on the Property deposited or released after Closing.

6.3 **Inspection.** Following the date of this Agreement, and with two (2) business days' prior notice, State shall permit Purchaser and/or its designated agents to enter upon the Property at all reasonable times for the purpose of investigating the feasibility of the Property for the intended use and the physical condition thereof, including without limitation, the condition of improvements, if any, located upon the Property. Purchaser shall not conduct any invasive testing of the soils without prior written consent of State.

(a) **Indemnification and Hold Harmless Regarding Purchaser's Inspection.** Purchaser agrees to indemnify, defend with counsel acceptable to State, and release the State, its officers, agents, and employees from any and all claims, liens or costs, damages, fees and expenses (including but not limited to attorney and paralegal fees, costs and expenses, including costs and fees incurred on appeal and in bankruptcy, as well as consultant fees and costs) arising out of or related to the actions of the Purchaser and actions of the Purchaser's agents or employees in exercising such rights of entry or inspections under this Agreement. The Purchaser will be responsible for the payment of any fines or penalties charged against the State or the Purchaser, or for any employees or equipment while under the Purchaser's control, employment, or direction, related to activities under this subsection.

(b) **Reports and Studies.** Subject to the conditions set forth above, Purchaser, at its sole expense, shall have the right to prepare, or have prepared during the Option Period, market and engineering studies, feasibility studies, surveys, resurveys or survey updates, environmental reviews, studies or investigations all of which are also collectively referred to as the "Purchaser's Studies" with respect to the Property. All information discovered by Purchaser through Purchaser's Studies shall be deemed to have been disclosed by State.

(c) **Notice to Contractors.** Further, with respect to Purchaser's Studies, Purchaser agrees that it is not acting as the agent of State, and that Purchaser's contractors, architects, engineers, or other design consultants are solely employed by Purchaser to perform the studies for the benefit of the Purchaser. Purchaser further shall provide written notice to each contractor, architect, engineer and other consultant of these facts, which notice shall also instruct these parties not to file any liens or notices against the Property prior to Closing. The Purchaser shall ask each party to acknowledge receipt of the notice. Purchaser shall supply State with a written list of each party to whom this notice was sent within ten (10) days of their issuance, as well as a copy of each notice as acknowledged by the party to whom it was given or sent.

7. **CONTINGENCIES.**

7.1 **State.** State's obligations are contingent upon the following:

- (a) confirmation of the sale by the department as provided under RCW 79.11.175;
- (b) payment of all sums specified under this Agreement; and
- (c) performance on or prior to Closing of all other acts required of Purchaser under this Agreement.

7.2 **Purchaser.** Purchaser's obligations are contingent upon the following:

- (a) exercise of the option;
- (b) delivery of the deed as provided in section 4.2;
- (c) conveyance of acceptable title as provided in section 4.4; and
- (d) performance prior to or at Closing of all other acts required of State under the Agreement.

8. **CLOSING AND CLOSING COSTS.** Prior to or at Closing the parties shall do the following:

8.1 **State**

- (a) issue a duly executed quitclaim deed conveying title to the Property within a reasonable time after confirmation of the sale and confirmation of receipt of the Purchase Price by the State Treasury;
- (b) sign a Real Estate Excise Tax Affidavit;
- (c) provide any other documents necessary to consummate this Agreement;
- (d) pay prorations to the extent required and determinable; and
- (e) pay any other such sums due under the terms of the Agreement

8.2 **Purchaser.**

- (a) pay all sums remaining due under this Agreement;
- (b) sign a Real Estate Excise Tax Affidavit;
- (c) provide any other documents necessary to consummate this Agreement;
- (d) pay any prorations to the extent required and determinable;
- (e) pay any other such sums due under the terms of the Agreement; and
- (f) pay the cost of recording the deed and the county processing fee for filing the Real Estate Excise Tax Affidavit.

8.3 **Prorations.** Water, sewer, utility and maintenance charges and any other expenses with respect to the operation of the Lease Area levied against the Property shall remain the obligation of the

State until expiration of the reserved lease, after which all such costs and expenses shall be the sole responsibility of Purchaser. State shall indemnify Purchaser for any charge incurred and relating to the State's leasehold reservation and any liens that may attach thereto. Rental income from the DOT Lease shall be prorated as of Closing. Local assessments and taxes shall be prorated as of Closing. To the extent information is then available, such prorations shall be calculated and paid as of Closing. Such prorations shall be adjusted and completed after the Closing Date, if necessary, as and when complete information becomes available, and the State and Purchaser agree to cooperate and use their best efforts to complete such prorations not later than sixty (60) days after the Closing Date. No insurance proration shall be made.

9. **SURVIVAL.** The obligations not satisfied at Closing or intended to continue beyond Closing shall not be deemed to have merged in the deed.
10. **REAL ESTATE COMMISSION.** State has not retained a real estate agent or broker to facilitate this auction. Any real estate agent or broker acting in this transaction shall be deemed to be the sole agent of the Purchaser.
11. **NOTICES.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed given upon personal service or deposit in the United States first class mail, postage prepaid, and addressed as follows:

To Purchaser:

SEE REPORT OF AUCTION

To State:

Debi VanBuren
Department of Natural Resources
P.O. Box 47014
Olympia, WA 98504-7014
Facsimile: (360) 902-1789
Phone (360) 902 1599

The foregoing addresses may be changed by written notice.

12. **MISCELLANEOUS.**
 - 12.1 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties, and all prior and contemporaneous negotiations, understandings and agreements, whether oral or written, are merged in these documents and the rights and obligations of the parties shall be as set forth herein.
 - 12.2 **Binding Nature; Assignment of Rights.** All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto. However, this Agreement shall not be assignable by Purchaser without the prior written consent

and acceptance by the State, which shall be at State's sole and absolute discretion.

- 12.3 **Washington Law.** This Agreement shall be construed, interpreted, and enforced pursuant to the laws of the state of Washington and venue shall be in Thurston County. The terms of this Agreement shall be given their ordinary meaning and shall not be construed in favor of or against either party hereto.
- 12.4 **Time of the Essence.** Time is of the essence in this Agreement. No waiver or consent to any breach or other default in the performance of any of the terms of this Agreement shall be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition hereof. In the event time for performance falls on a weekend or legal holiday designated by the United States or Washington State, performance shall be deemed to be timely rendered if so rendered on the next business day.
- 12.5 **Captions.** The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.
- 12.6 **Invalidity.** If any provisions of this Agreement shall be invalid, void or illegal, it shall in no way affect, impair or invalidate any of the other provisions hereof.
- 12.7 **Counterparts.** This Agreement may be signed in counterparts, any one of which shall be deemed an original.
- 12.8 **Date of Agreement.** The date of this Agreement shall be the date of the auction.
- 12.9 **Good Faith.** Both parties shall act reasonably and in good faith in order to consummate this transaction.
- 12.10 **Authorization.** Purchaser and the person(s) executing this Agreement on behalf of Purchaser represent and warrant that they are authorized to do so and that this is a legal, valid, and binding obligation on behalf of Purchaser, and is enforceable against Purchaser in accordance with its terms.
- 12.11 **Default.** In the event of default, neither party shall be liable for consequential damages.
- 12.12 **Attorneys' Fees and Costs.** If either party brings suit or submits to an alternative dispute process to interpret or enforce any provision of the agreement, the prevailing party shall be entitled to reasonable attorney fees, paralegal fees, accountant and other expert witness fees and all other fees, costs and expenses actually incurred in connection therewith, including those incurred on appeal, in addition to all other amounts provided by law, regardless of whether the matter proceeds to judgment or is resolved by the defaulting party curing the default.

EXHIBIT A
LEGAL DESCRIPTION

That portion of the NE1/4 of the SE1/4 and of the E1/2 of the SE1/4 of the SE1/4, according to U.S. Government subdivision procedures, of Section 11, Township 18 North, Range 1 West, Willamette Meridian, Thurston County, Washington, lying easterly of the easterly margin of right of way of Marvin Road, and lying northerly of the northerly margin of right of way of Martin Way.

Dennis J. Gelvin, PLS 21674
Land Description & R/W Specialist
State Land Survey Unit
Resource Planning & Asset Management
PO Box 47060
Olympia, WA 98504-7060

Dated_____

FILENAME:L1456R

**EXHIBIT B
FORM OF DEED**

AFTER RECORDING RETURN TO:

Department of Natural Resources
Asset Management & Protection Division
PO Box 47014
Olympia, WA 98504-7014

DEED

Grantor: State of Washington, Department of Natural Resources.

Grantee:

Abbreviated

Legal Desc: Portion of the E1/2SE1/4 of Section 11-18N-1West, W.M.

Tax Parcel #: 1181 14 10100 and portion of 1181 14 40100

THE GRANTOR, STATE OF WASHINGTON, acting by and through the Department of Natural Resources, for and in consideration of the sum of _____ Dollars (\$_____), hereby conveys and quitclaims to _____, GRANTEE, all interest in the real property situated in Thurston County, Washington, and described in Exhibit A, attached hereto, which by this reference is made a part hereof.

The above-described lands are subject to that certain statutory reserved right as set forth in RCW 79.36.370 and to the following reservation:

The Grantor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself and its successors and assigns forever, all oils, gases, coal, ores, minerals, and fossils of every name, kind, or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, and fossils; and it also hereby expressly saves and reserves out of the grant hereby made, unto itself and its successors and assigns forever, the right to enter by itself or its agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, and working mines thereon, and taking out and removing therefrom all such oils, gases, coal, ores, minerals, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its successors and assigns, forever, the right by its or their agents, servants, and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, and railroads, sink such shafts, remove such soil, and to remain on said lands or any part thereof for the business of mining and to occupy as much of said lands as may be necessary or convenient for the successful prosecution of such mining business, hereby expressly reserving to itself and its successors and assigns, as aforesaid, generally, all rights and powers in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and

the rights hereby expressly reserved.

No rights shall be exercised under the foregoing reservation, by the state or its successors or assigns, until provision has been made by the state or its successors or assigns, to pay to the owner of the land upon which the rights reserved herein to the state or its successors or assigns, are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land: PROVIDED, That if said owner from any cause whatever refuses or neglects to settle said damages, then the state or its successors or assigns, or any applicant for a lease or contract from the state for the purpose of prospecting for or mining valuable minerals, or option contract, or lease, for mining coal, or lease for extracting petroleum or natural gas, shall have the right to institute such legal proceedings in the superior court of the county wherein the land is situate, as may be necessary to determine the damages which said owner of said land may suffer.

State further reserves a lease for that portion of the property legally described in Exhibit B to this deed (Lease Area) until December 31, 2004. State shall retain full possessory rights to the Lease Area until the expiration of the lease, subject to the right of Grantee and its agents or employees to visit the Lease Area at reasonable times with advance notice to State as Grantee pursues its development plans. The lease shall not require payment of rent. Any imputed rent is factored into the Purchase Price. State shall assume any utility or service charges arising out of the State's use of the Lease Area during the lease period. State shall self-insure its general liability.

This Deed is executed and delivered pursuant to RCW 79.02.270 at the request of the Commissioner of Public Lands, State of Washington.

WITNESS the Seal of the State of Washington, affixed this ____ day of _____, 2004.

G O V E R N O R

ATTEST: _____
S E C R E T A R Y O F S T A T E

Approved as to form this _____ day
of _____, 2004.

Assistant Attorney General

State Deed No. (#)
State Record of Deeds, Volume (#), Page (#).
Transaction File No. 02-071482

EXHIBIT C
LEASE RESERVATION

That portion of the NE1/4 of the SE1/4 and of the E1/2 of the SE1/4 of the SE1/4, according to U.S. Government subdivision procedures, of Section 11, Township 18 North, Range 1 West, Willamette Meridian, Thurston County, Washington, lying easterly of the easterly margin of right of way of Marvin Road, and lying northerly of the northerly margin of right of way of Martin Way, EXCEPT that portion of the NW1/4 of the NE1/4 of the SE1/4 of said Section 11 described by Ground Lease number 64826, made and entered into March 3, 2000, on file with the Office of the Commissioner of Public Lands, Olympia, Washington, being described as follows, to wit;

That part of the northwest quarter of the northeast quarter of the southeast quarter of Section 11, Township 18 North, Range 1 West, W.M., Thurston County, Washington, described as follows;

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) MR2 11+95.94 on the line survey of Marvin Road, Thurston County Sundry Site Plans, Marvin Road Park & Ride Lot, and 30 feet easterly therefrom; thence easterly to a point opposite HES MR2 11+89.99 on said line survey and 181.62 feet easterly therefrom; thence northerly to a point opposite HES MR2 15+67.38 thereon and 217.79 feet easterly therefrom, said point being on the north line of said northwest quarter of the northeast quarter of the southeast quarter; thence South 89°51'26" West along said north line to a point opposite HES MR2 15+91.35 on said line survey and 52.60 feet easterly therefrom, said point being on the easterly line of Marvin Road; thence southerly along said easterly line to the point of beginning. The lands herein described contain an area of 1.48 acres, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 5, 1975, revised May 8, 1992.

Dennis J. Gelvin, PLS 21674
Land Description & R/W Specialist
State Land Survey Unit
Resource Planning & Asset Management
PO Box 47060
Olympia, WA 98504-7060

Dated_____

EXHIBIT D
MARVIN ROAD PARK AND RIDE
DNR LEASE NO. 39-064826
ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is between the State of Washington, acting through the Department of Natural Resources ("Assignor") and _____ ("Assignee").

Assignor will transfer certain real property to the Assignee the legal description of which is contained in that certain lease between State of Washington as landlord and the Department of Transportation as lessee dated March 3, 2000 and amended _____, 2004 under Lease No. 39-064826. Assignor wishes to assign its rights under the lease as landlord to Assignee and Assignee is willing to assume all of Assignor's obligations under the lease.

NOW THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's rights, obligations and interests in and to the lease.

2. Assumption. Assignee hereby assumes any and all of Assignor's obligations arising under the lease after the date of this assignment and agrees to indemnify Assignor against and hold Assignor harmless from any and all liabilities, costs, losses, damages, claims or expenses, including, without limitation, reasonable attorney's fees, arising out of the obligations assumed herein.

ASSIGNOR

ASSIGNEE

State of Washington,
Department of Natural Resources

Howard Thronson
Manager, Product Sales and Leasing Division

Date:

Date:

ACKNOWLEDGEMENTS

STATE OF _____)
)ss
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ [name] is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute this instrument, and acknowledged it as the _____ [office] of the _____ to be the to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Dated: _____

Notary Public in and for the State of
Washington, residing at _____.

My appointment expires _____.

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2004, personally appeared before me Howard Thronson, known to be the Product Sales and Leasing Division Manager of the Department of Natural Resources, State of Washington, who executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public in and for the State of Washington,
residing at _____.

My appointment expires _____.